



June 1, 2006

Iowa Department of
Administrative Services

General Services Enterprise

Thomas J. Vilsack, Governor
Sally J. Pederson, Lt. Governor

Mollie K. Anderson, Director
Paul F. Carlson, Chief Operating Officer

To: Iowa Hotel/Motel/Bed & Breakfast Owners and Operators

**From: Kenneth Paulsen, CPPB
General Services Enterprise - Purchasing Supervisor**

Subject: 2006/2007 Motel/Hotel/Bed & Breakfast Rate Agreement Program

Effective July 1, 2006, the State of Iowa will be increasing the allowable reimbursement rate for employee lodging to \$50 per night, single room rate, plus applicable taxes. We would like to give you the opportunity to adjust your rate and extend the period until December 31, 2007.

Please review the attached agreement form and consider responding to the State's program for firm contracted lodging rates from **July 1, 2006, through December 31, 2007**. We hope to complete these agreements with a select number of lodging establishments throughout the State.

If your proposal is accepted, State employees will be encouraged to use your motel or hotel when traveling on State business. It is our intent for you to experience increased business in return for a rate favorable to the State.

Currently, State employees need lodging between 4,000 and 5,000 nights per year. Employees are reimbursed actual expenses up to \$50 per night, single room rate, plus applicable taxes.

Returned proposals will be evaluated on a combination of rates, location and perceived quality.

State employees will be advised to present sufficient identification to qualify them for contracted rates. Employees may also use lodging, which does participate in the program, but they may not be reimbursed for lodging in excess of \$50.

We understand that special incentives are offered to travelers such as "one night free after ten nights." While such offers can be attractive to the traveler, the State has no means of assuring the State would be the beneficiary. Thus, we will not consider responses to this proposal that involve this or similar incentives.

We will consider responses on a continuing basis. Your response should be received prior to **July 1, 2006**; responses received thereafter will be considered only if an insufficient number of establishments have responded in your general trade area.

Please return your signed agreement or call with your questions to:

- Pamela Dickey
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General Services Enterprise – Purchasing
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